Presidential Panel Due to Urge End of Secret CIA Funding

The White House is expected to make public this week a report calling for an end to covert financing by the Central Intelligence Agency of international student and labor programs.

President Johnson has personally reviewed a draft of the recommendations drawn by the three-man committee he appointed in the wake of the controversy over the CIA's role in these programs.

The report is said to propose creation of a new quasi-public corporation that would administer propaganda and political action programs for labor, youth and student groups abroad. One model that the presidential committee studied closely was the British Council, which operates as an adjuct of the Foreign Office.

The three members of the presidential study group are Under Secretary of State Nicholas deB. Katzenbach, its chairman; CIA Director Richard Helms and Secretary of Health, Education and Welfare John Gardner.

Katzenbach has conducted a detailed review of the CIA-financed activities that came under criticism in the press after Ramparts magazine last January disclosed the existence of a network of secret CIA funding organizations.

One of the reasons for establishment of the secret fund conduits during the early 1950s was the fear of a political outcry on Capitol Hill against the Agency's cooperation with leftist but non-Communist labor and a student organizations abroad.

The decline of McCarthyism in the United States obviated much of the need for secrecy in these programs, according to sources familiar with the background. Therefore it is expected that the Katzenbach group will call for a far more public approach to the international programs.

Under the new proposals it is expected that Congress will have some measure of control over the publicly appropriated funds for propaganda and political education activities. At present the programs were funded through a network of clandestine private foundations.

A principal casualty of the new reorganization is expected to be Cord Meyer Jr., who presided over the youth and labor action programs of the CIA.